

# SAN FRANCISCO MARKET UPDATE | Q3 2023

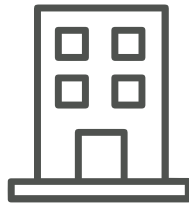
## SNAPSHOT

It is clear that the multifamily housing market has witnessed a substantial decline across various key metrics since its height in 2021. During the third quarter, the median sales price for two-to-four unit buildings saw a notable reduction of 13.1 percent, while five-plus unit buildings experienced a 23.8 percent decrease when compared to the same period last year.

Despite these statistics, the prevailing sentiment in the market is one of enthusiasm. Many prospective buyers are capitalizing on the present landscape and securing deals that haven't been available for years. However, despite this promising outlook for buyers, the market continues to face challenges in the form of rising interest rates and limited inventory.

According to Zillow, rental rates have been on a downward trend since spring, with the median rent now standing at \$3,495 per month.

### 2-4 UNIT BUILDINGS



### 5+ UNIT BUILDINGS



#### Q3-2023

MEDIAN SALES PRICE	\$1,647,500 ↓
DAYS ON MARKET	35 ↑
\$/SQ. FT.	\$631 ↓
\$/UNIT	\$725,583 ↓
# FOR SALE LAST DAY OF QUARTER	162 ↓
WENT INTO CONTRACT	92 ↓
PROPERTIES SOLD	98 ↓

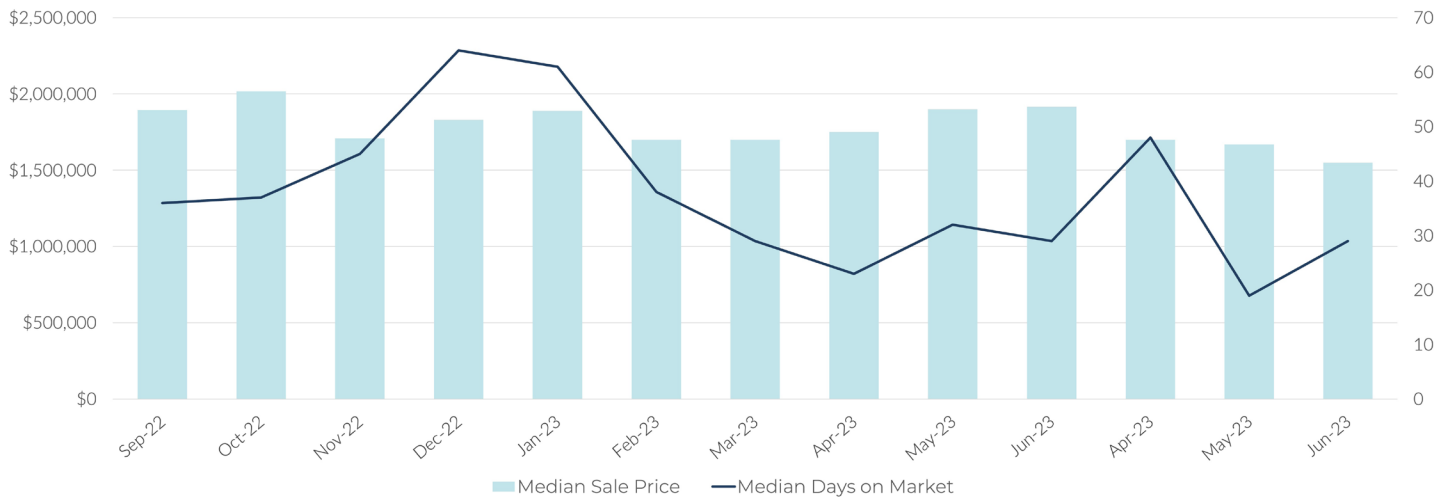
#### Q3-2023

MEDIAN SALES PRICE	\$2,437,500 ↓
DAYS ON MARKET	52 ↓
\$/SQ. FT.	\$366 ↓
\$/UNIT	\$342,621 ↓
# FOR SALE LAST DAY OF QUARTER	98 ↓
WENT INTO CONTRACT	30 ↑
PROPERTIES SOLD	27 ↓

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## 2-4 UNIT BUILDINGS

### MONTH-OVER-MONTH COMPARISON



CHANGE IN PAST MONTH:

SALE PRICE: **-7.2%**

DAYS ON MARKET: **+10 days**

### YEAR-OVER-YEAR COMPARISON

	MEDIAN			
	Q3-2023	Q3-2022	%Δ	2021
SALES PRICE	\$1,647,500	\$1,895,000	-13.1%	\$2,020,000
DAYS ON MARKET	35	33	+6.1%	31
\$/SQ. FT.	\$631	\$674	-6.4%	\$692
PRICE PER UNIT.	\$725,583	\$767,667	-5.5%	\$850,000



*It is clear that the multifamily housing market has witnessed a substantial decline across various key metrics since its height in 2021.*

### TOTAL

	Q3-2023	Q3-2022	%Δ	2021
WENT INTO CONTRACT	92	111	-17.1%	557
PROPERTIES SOLD	98	107	-8.4%	607
# FOR SALE LAST DAY OF SEPTEMBER	162	173	-6.4%	195
% OF PROPERTIES SOLD OVER LIST PRICE	37.8%	41.1%	-8.0%	48.3%
% OF LIST PRICE RECEIVED (AVERAGE)	100.4%	101.4%	-1.0%	103.1%

## MEDIAN AREA VALUES (Q3 2023)

DISTRICT	2-4 UNIT BUILDINGS	\$/SQ. FT.	% OF LIST PRICE RECEIVED (AVERAGE)	BUILDINGS SOLD
District 1	\$1,606,000	\$598	104.0%	15*
District 2	\$1,335,000	\$505	103.6%	15*
District 3	\$1,350,000	\$298	87.1%	1*
District 4	\$1,190,000	\$516	99.2%	1*
District 5	\$1,800,000	\$645	100.0%	25*
District 6	\$1,547,500	\$585	97.3%	10*
District 7	\$2,687,650	\$863	96.4%	8*
District 8	\$1,965,000	\$695	96.5%	9*
District 9	\$1,505,000	\$577	100.7%	11*
District 10	\$1,430,000	\$524	107.8%	3*

\* Small sample size: use caution when interpreting statistics. Sources: SFAR MLS & BrokerMetrics; Property types covered: 2-4 unit buildings. Only property data posted on the MLS is covered. All information is deemed reliable, but not guaranteed for accuracy. All data is subject to errors, omissions, revisions, and is not warranted. ©2023 Vanguard Properties. All rights reserved. Equal Housing Opportunity. DRE No. 01486075

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## 5+ UNIT BUILDINGS

### YEAR-OVER-YEAR COMPARISON

	Q3-2023	Q3-2022	%Δ	2021	
MEDIAN	SALES PRICE	\$2,437,500	\$3,200,000	-23.8%	\$3,395,000
	DAYS ON MARKET	52	57	-8.8%	57
	\$/SQ. FT.	\$366	\$525	-30.3%	\$523
	PRICE PER UNIT.	\$342,621	\$419,048	-18.2%	\$408,333
	CAP RATE.	5.72%	4.76%	+20.2%	4.49%
	GROSS RENT MULTIPLIER.	11.8	14.3	-17.5%	14.8
TOTAL	WENT INTO CONTRACT	30	18	+66.7%	150
	PROPERTIES SOLD	27*	33*	-18.2%	149
	# FOR SALE LAST DAY OF SEPTEMBER.	98	105	-6.7%	71
	% OF PROPERTIES SOLD OVER LIST PRICE.	3.7%	15.2%	-75.7%	18.1%
	% OF LIST PRICE RECEIVED (AVERAGE)	91.1%	94.5%	-3.6%	96.1%

“Despite these statistics, the prevailing sentiment in the market is one of enthusiasm. Many prospective buyers are capitalizing on the present landscape and securing deals that haven’t been available for years.”

### MEDIAN AREA VALUES (Q3 2023)

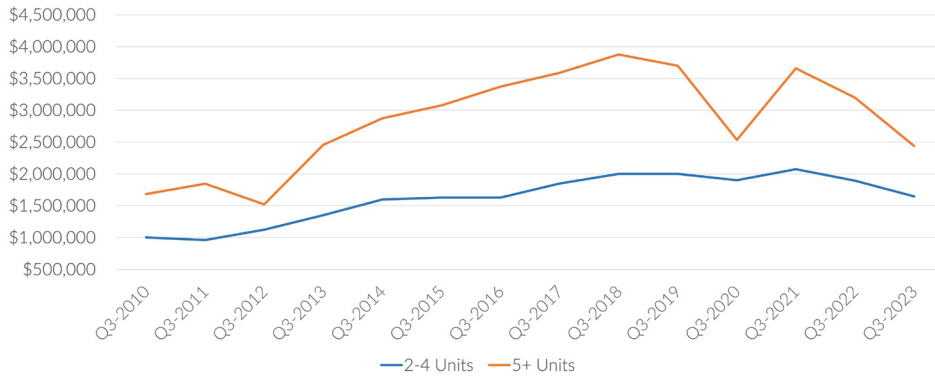
DISTRICT	5+ UNIT BUILDINGS	\$/SQ. FT.	PRICE PER UNIT	CAP RATE.	GROSS RENT MULTIPLIER	BUILDINGS SOLD
District 1	\$2,620,000	\$581	\$364,792	6.31%	14.4	2*
District 2	-	-	-	-	-	0
District 3	-	-	-	-	-	0
District 4	-	-	-	-	-	0
District 5	\$2,525,000	\$504	\$420,833	5.91%	13.4	3*
District 6	\$2,670,000	\$459	\$378,333	5.96%	11.5	8*
District 7	\$3,594,000	\$552	\$499,556	5.41%	12.5	2*
District 8	\$2,668,750	\$275	\$251,563	5.26%	10.6	8*
District 9	\$1,000,000	\$260	\$170,000	3.80%	11.1	3*
District 10	\$1,385,000	\$325	\$277,000	8.32%	8.3	1*

\* Small sample size: use caution when interpreting statistics. Sources: SFAR MLS & BrokerMetrics; Property types covered: 5+ unit buildings. Only property data posted on the MLS is covered. All information is deemed reliable, but not guaranteed for accuracy. All data is subject to errors, omissions, revisions, and is not warranted. ©2023 Vanguard Properties. All rights reserved. Equal Housing Opportunity. DRE No. 01486075

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## YEAR-OVER-YEAR COMPARISONS

### MEDIAN SALE PRICE



2-4 UNIT BUILDINGS  
**\$1,647,500**

-13.1% year-over-year

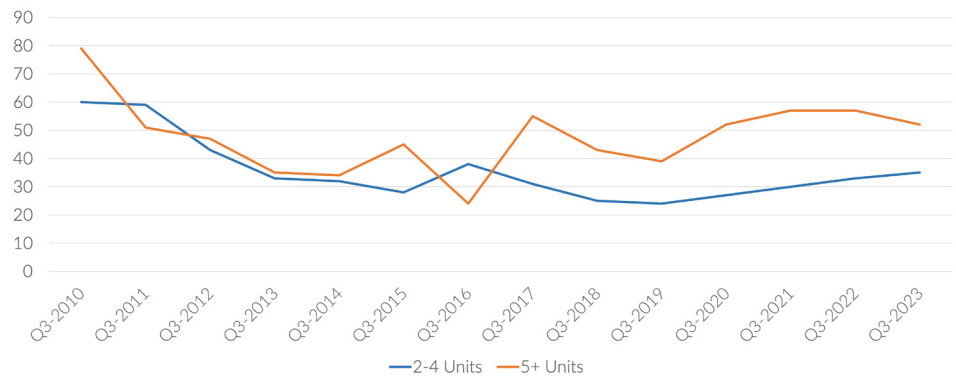
5+ UNIT BUILDINGS  
**\$2,437,500**

-23.8% year-over-year

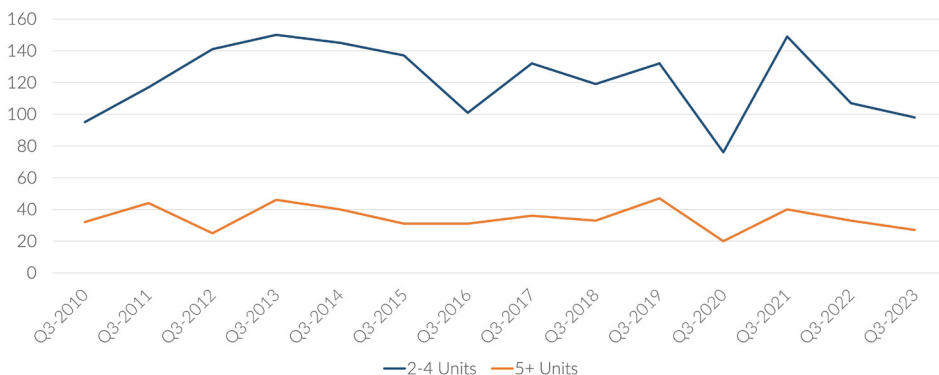
### MEDIAN MARKET TIME

2-4 UNIT BUILDINGS  
**35 days**  
 +2 day change year-over-year

5+ UNIT BUILDINGS  
**52 days**  
 -5 day change year-over-year



### NUMBER OF SALES



2-4 UNIT BUILDINGS  
**98**

-8.4% year-over-year

5+ UNIT BUILDINGS\*  
**27**

18.2% year-over-year

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